

February 8, 2021

Mr. Gene Irisari
Vice President for Public Policy
Samsung Electronics Co., Ltd.
700 Pennsylvania Avenue SE,
Suite #600
Washington, DC 20003

Dear Mr. Irisari,

On behalf of New York State, Empire State Development (ESD), the New York Power Authority (NYPA) and Genesee County Economic Development Center (GCEDC), thank you for giving us the opportunity to update our offer to Samsung Electronics to expand your business to New York State. This offer reflects the updated project information that Samsung provided to ESD, and subsequent discussions with GCEDC. We are committed to attracting and supporting Samsung's growth in the State of New York and making New York home to the most advanced semiconductor manufacturing in the world.

As we currently understand the proposed project, Samsung Electronics will construct and operate a leading-edge semiconductor manufacturing fab at the STAMP site in the Town of Alabama, Genesee County, NY, create [REDACTED] FTE jobs averaging more than [REDACTED] per year over 10 years and invest more than [REDACTED] in capital over eight years. We understand the project would also include spending of over [REDACTED] in research and development over the first 10 years and include both an internship and apprentice programs with an estimated [REDACTED] interns and [REDACTED] apprentices participating annually when fully in place.

At this time, New York State is prepared to make an offer of \$400,000,000 in Excelsior refundable tax credits and \$25,000,000 for necessary infrastructure investments in exchange for Samsung's pledge to locate this project in New York State. This offer is contingent on the selection of the STAMP site for the project, and receipt and acceptance of a formal incentive offer by Samsung Electronics.

In addition to the incentives from NYS, NYPA is offering a 10-year contract for green power, with 18 MW of WNY hydropower, and 230MW of High Load Factor power, with an all-in delivered price of \$0.033/kWh. As detailed in the attached 1/31/2021 NYPA offer letter, this price represents a savings of some \$360,000,000 over the proposed ten-year term, compared to current market pricing.

It is our understanding that Samsung would acquire from GCEDC 1,000 acres of land at the WNY STAMP site and construct its leading-edge foundry there. In order to meet the significant utility demands of the new Fab, GCEDC and its engineers and local utility providers estimate a site

infrastructure cost of \$200 million to extend sewer, water, natural gas and power services to the site boundary. Further, we understand Samsung would construct and pay for these major utilities to the site to ensure they are available at the time and location needed for the Fab. As noted above, ESD offers up to \$25,000,000 in capital grant funds to offset a portion of these infrastructure improvement costs.

As detailed in the attached 1/29/2021 letter, GCEDC is offering Samsung an exemption from Sales Tax estimated to be worth \$289,680,000, a Payment in Lieu of Tax agreement that abates \$695,790,000 in real property taxes, and discounted land sale price that represents \$115,500,000 in savings from the market value. The total value of the GCEDC support is estimated to be worth \$1,100,970,000 over the 30-year PILOT term.

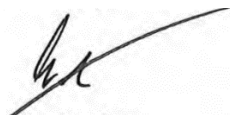
In summary, the support listed above represents some \$1.89 billion from state and local agencies in grants, tax credits, tax abatement, land cost savings and power cost savings associated with nearly \$20 billion of investment, R&D and wages and benefits by Samsung during the first 10 years of Samsung's Genesee County Fab project.

Thank you, again, for the opportunity to bring this next expansion of Samsung Electronics to New York State. No other location combines the depth of talent, the array of semiconductor manufacturers and the maturity of New York's supply chain. Our record of accomplishment speaks for itself: over 1 million new jobs in recent years, the best bond rating in over 50 years, lower taxes for every New Yorker, nation-leading infrastructure and clean energy investments as well as the country's most robust array of colleges and universities focused on education and research in disciplines relevant to the semiconductor industry.

With no corporate income tax for manufacturers, and no taxes on personal property and inventory, it is no wonder New York State has attracted significant semiconductor investments from such companies as IBM, Applied Materials, Cree/Wolfspeed, GlobalFoundries, ON Semiconductor, among many others, giving New York the third largest semiconductor workforce in the nation.

We have the resources, skills and labor to assure your success! I look forward to developing a partnership to create continued growth and success moving forward.

Sincerely,



Eric Gertler
President and CEO